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Report Highlights:

How soon will it be before we see a rice ball (onigiri) drive-thru in the United States? "Black" is back in the news as a functional color ATO Japan presents this month's market trends and facts in this issue of Japan Food Trends (JFT)*.

*JFT communicates Japanese food and lifestyle trends to help U.S. exporters generate product and marketing ideas.

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Editor's Notes

ATO Japan's recent visit to the State Regional Trade Group offices was refreshing. Learning what you are all doing in the states provides us with trade information that we need to market U.S. agriculture in Japan. During these visits it was great to learn that Japan Food Trends is distributed to a wide audience. A wider audience than this editor believed. Thank you for your support.

In this issue: There are many combinations of beer tastes, but of course the basic taste of beer is bitterness. The younger generation X is now balking at bitterness and their beer preference is changing. When did this change occur? There are some things in life that do change without taking any notice to it, but cool black cotton swabs and tissue paper were hard to miss. Also, the health movement in Japan continues to press ahead with a larger acceptance of traditional Chinese medicine and increasing interest in Chinese medicinal cuisine.

Beer Targets

Younger alcohol drinkers shy away from traditional tasting beer while sweet beers increase in popularity Diamond Online, August 7, 2008

That first cold beer that quenches the thirst after a hard days work is the traditional way to start the evening in Japan, but recent observations of generation X beer drinkers indicates otherwise according this article.

The younger generation doesn't seem to appreciate the bitterness of beer (that I thought was the best part of beer). Although the bitterness will always remain, the combinations of tastes are diversifying. According to the article, flavored beers have become a common beverage in Japan and the number of beer-based cocktail menus is also increasing. Sweet beers are getting their share of attention as well. Sweet beers such as Sweet Vanilla Stout and Black Sugar Sweet Stout are manufactured and sold by Sankt Gallen Brewery, Kanagawa, Japan. Kirin Beer has gotten into the act and introduced the "Frozen Stout". The recipe calls for a shot of gum syrup poured into black stout and frozen. (Right photo: Fuji Sankei Business)



U.S. Craft beers and handcrafted alcoholic beverages came to mind while reading these articles. By the way, look forward to ATO Japan's alcoholic beverage market report coming soon.

Brewers target women to boost flagging beer sales The Daily Yomiuri, July 19, '08, p4

"Major domestic brewers are targeting women to increase beer sales in an effort to overcome sluggish sales of alcoholic beverages."

Kirin Brewery. Co. assigned a pair of women ages 26 and 24 to develop beers and cocktails aimed at their generation. They developed two cocktail drinks called Cassis Navel that comes in a pink can and Salty Bulldog that comes in a green can. (Both are sold at approximately US\$1.38 per 350 milliliters cans.) Their concept was "to develop a product that would be more of a pleasure to look at and to taste than the products available, which emphasize the alcohol".

Sapporo Breweries teamed seven 20-39 year old women to develop products, conduct market research and implement public relations. The team is now evaluating existing products.

The article quotes the president of Kirin as saying “‘The company will be in trouble unless women employees play an active role’ which will help the company to be accepted by female customers.”

(Wow, women working for traditional corporations, developing products for women.
Remember, this is Japan we are talking about)

Definitely Japanese

First Rice ball (Onigiri) Drive-Thru in Japan Kanazawa Keizai Shimbun, June 25, 2008, Asahi.com

Rice balls shops, kiosks, cafes are all over Japan, and so you would think that they had one of these already. Nope. The first rice ball (onigiri) drive thru shop just opened on June 18, 2008 in Kanazawa, Ishikawa, which is famous for its superb rice making. The store's name is “Beishin Onigiri Kitchen” and serves 12 different onigiri, miso soup, and pickled vegetables. A happy set menu comes with two rice balls, miso soup and pickled vegetables for US\$3.27. One rice ball is US\$1.40 – 1.60 depending on the filling.



(Photo from Asashi.com)

The store owner's hope was to offer a convenient way for young customers to have access to onigiri so that they can be reminded of the good and wholesome taste of rice.

Customers were lined-up for an hour on opening day.



(Photo from Asashi.com)

Black Boom Nihon Keizai Shimbun, July 26, 2008 p9



Maybe it's just me, but I'm used to using white cotton swabs and tissue with some color. However, black cotton swabs and tissue paper are trendy in Japan. According to the article, the reason for the popularity is that it is easier to see your achievement from a couple of light swirls when one cleans their ear wax. Based on the editor's experience, it's true. (I've never pondered to share such private matters with anybody.) Just for the record, I haven't tried black toilet paper, but it is also a trendy item for the interior designers who like the chic black & white design.

Health: Traditional Chinese health benefits

Chinese Medicinal Cuisine Café Seeks Franchisees Nikkei MJ July 4, 2008, p15

Chinese medicinal cuisine, “yakuzen”, offers health benefits and medicinal efficacies similar to traditional Chinese medicine (TCM)* except it is prepared by a chef. One company offers such cuisines developed by a nutritionist and pharmacologist. A menu offers anti-aging items such as drinking vinegar. The price for a lunch set is about US\$18.

Traditional Chinese Medicine Fights Metabolic Syndrome Nihon Nikkei Shimbun, July 26, 2008. p27

Traditional Chinese medicine's (TCM)* popularity is growing according to Intage, a market research group interviewed by Nihon Nikkei Shimbun. According to the market estimate for 2007 total sales were US\$433 million, which was 1.6 times more compared to 2006. The recent boom was caused by the government's implementation of metabolic syndrome standards. Men and women are now trying TCM to reduce intestinal fat build up and TCM that burns fat.

*Traditional Chinese Medicine (Also known as *Kampo*)

"The Japanese study and adaptation of traditional Chinese medicine. The basic works of Chinese medicine came to Japan between the 7th and 9th centuries. Since then, the Japanese have created their own unique herbal medical system and diagnosis. Kampo uses most of the Chinese medical system, but is primarily concerned with the study of herbs. Some kampo is covered by the Japanese National Health Insurance plan."

(From ATO Japan's Ginseng Market Report JA8510)

New to Market

Office snack stands tempting hungry staff The Daily Yomiuri, July 12, 2008, p4

"Employees staving off hunger pains while working overtime, and reformed smokers seeking to overcome their cravings, are turning to chips and chocolate in rapidly increasing numbers thanks to the increasing popularity of snack stands." Snack company, Ezaki Glico, competes with other snack companies in this relatively new niche market. Ezaki Glico sets-up plastic drawers in a corner of an office and restocks items once a week, according to the article. Payment is on an honor system. One piece is about US\$0.90.

A spokesperson from a company that uses this snack system in their office said "Our employees often purchase snacks when they're working overtime. Sometimes the snacks even run out." Another employee who was trying to quit smoking said that easy access to snacks helped.

The snack company, Ezaki Glico, conducted a survey, which is so laden with a Japanese spin I will include it verbatim. "According to a survey of businessmen taken by Glico in 2006, 92 percent of men do not mind seeing other male colleagues eat snacks while in the office, and 89 percent said they eat snacks at work themselves. Potato chips are the most popular office purchases among men."

You've heard of *WA*=harmony. It is extremely important in Japanese society, but the private act of snack eating is a bit much. No? I mean you could get sued in the States, right?

Interesting Pasta Fact

Annual pasta consumption Nihon Keizai Shimbun, July 12, 2008, p27

According to the Japan Pasta Association pasta consumption is up. In 2007 it was 20.9 servings per person (100g per serving) annually, up 2.6 servings from the previous year. The reasons for the increase were that more women who enter the workforce tend to eat pasta more frequently and pasta dishes are easy to prepare at home.

Just for comparison, Americans eat 69 servings/year and Italians eat 282 servings/year.